



Speech by

BILL FELDMAN

MEMBER FOR CABOOLTURE

Hansard 22 June 2000

SUGAR INDUSTRY AMENDMENT BILL

Mr FELDMAN (Caboolture—CCAQ) (2.42 p.m.): Before I reiterate what the member for Lockyer said in relation to proposed new section 128F, I note that it was reassuring to hear the honourable member for Burnett's contribution to the debate on the Sugar Industry Amendment Bill during the last sittings of Parliament. He stated—

"As a one-time Minister for Trade, I can certainly appreciate the need for countries to reduce tariffs. There is no question that it is in the best interests of Queensland and Australia to have tariff reduction. But I do question removing tariffs prematurely to induce other countries to do likewise. In effect, I believe it works the other way. Once we remove our tariffs we have lost our leverage on other countries to remove their tariffs. I strongly believe from my own experience that, while it is the way to go, in practical terms it does not achieve the result that we want."

Another little gem from that speech was this—

"We are silly to think we can provide a lead that other nations will automatically follow. They will follow if it is in their people's best interest and if they will make a dollar out of it. This is the only way they will follow."

I certainly agree with him on that point at least. We must be stupid or a soft touch if we honestly believe that the rest of the world will follow Australia's or indeed Queensland's example. I would be the last person in this House to advocate the removal of tariffs. As a matter of fact, I wonder, just like the member for Burnett, what possessed our Federal Government to remove the tariffs it removed. Was the Minister concerned deranged or blinded by the lure of big dollars in some other fashion?

In common with other members, I acknowledge that the debate on ethanol production raises its head every time there is a downturn in the price of sugar. I wholeheartedly agree that ethanol production should be looked at, especially now that the Federal Government has flagged that it will not attract that excise. I believe that we should be taking every advantage and looking at every avenue possible to provide a market for our embattled sugar farmers. I must admit that at the moment the idea of ethanol production must be rating very highly and looking very attractive to some embattled canefarmers. Interestingly, the Minister's second-reading speech contained the usual gems of wisdom—

Mr Palaszczuk: What page of my speech was that?

Mr FELDMAN: It was very early in the Minister's speech, when he was speaking about the retention of single desk selling, should the QSL ever fall out of the sugar industry's hands.

An honourable member: It went downhill from there.

Mr FELDMAN: It did. He also claimed that Labor was committed to, understands and delivers for the sugar industry. That made me feel warm all over. About a month ago I was speaking to a canefarmer from the Burdekin who was also a scuba diver. He told me that he used to get the same feeling when he urinated in his wetsuit. I am not saying that the Minister had any intention, in any way, shape or form, of urinating on the sugar industry or the canefarmers, and that is not the intent of this Bill.

Mr DEPUTY SPEAKER: Order! I suggest that that language is unparliamentary.

Mr FELDMAN: I take the point.

From my visit to the Burdekin and the Mackay areas and from speaking with those canefarmers who are doing it tough out there, I know where my colleague the honourable member for Burdekin was coming from when he made his speech in the debate at the last sitting and spoke passionately about how tough the canefarmers up there are doing it. As he said, sugar is the backbone of just about every coastal town from Maryborough to Cairns. He said that, if the sugar industry fails—and it is failing—a lot of small towns and communities will go broke. Those towns are highly dependent upon how well the sugar industry is going, how well the canefarmers are doing and how much income they are bringing in. The heartache out there was the driving force behind the notice of motion that was put forward this morning but which was ruled invalid because of this legislation being debated in the House this afternoon.

As at 1 March, Australian producers were receiving less than \$200 per tonne for raw sugar. At the same time, Brazilian producers were receiving \$315 per tonne for their domestic sugar. In Thailand they were receiving \$545 per tonne. Domestic producers in the USA are receiving \$632 per tonne for their domestic sugar. Those in Europe receive a whopping \$1,090 per tonne. How can that be fair? Or in the words of our old mate the now deceased Professor Julius Sumner Miller: why is it so? But it is so, because of all the ill-conceived and inequitable arrangements called export parity pricing of domestic sugar. As a result of a ministerial direction from the Minister for Primary Industries, the maximum price that can be achieved for domestic sugar is limited to a level comparable to the export price. There is no opportunity to seek even a small premium, which would make the difference between bankruptcy and survival for the battling Queensland canefarmers all along the eastern seaboard of Queensland.

The parity pricing mechanism was implemented to assist the refining sector. The SIRWP review at the time identified the refiners as being the sector that was in financial trouble. Their financial problems were caused to a large extent because of unwise commercial decisions that were taken to expand the refining capacity. The sugar growers are now being punished for the commercial mistakes of those refiners. Section 128F discusses the ministerial price directions. It is imperative that the Minister, after the required consultation with Queensland Sugar Limited, takes urgent steps to remove the counterproductive mechanism of export parity pricing.

In addressing a recent sugar convention in Cairns, the Prime Minister made the observation that the industry's financial problems were a direct result of a corrupt world market, and I do not disagree with him—not at all. Yet here we have the Queensland Government forcing the raw sugar industry to sell at the corrupt world price under the pretence of export parity. What possible justification can there be for the retention of parity pricing? Is it because the Minister is receiving the wrong advice while thousands of struggling canefarmers are suffering because of that advice? I think it is about time that the Minister actually listened to the canegrowers—the grassroots, the men out there who are doing it tough in the fields and the ones who are suffering because of that export parity.

I implore the Minister to really rethink that ministerial direction. There is a need to reverse that ministerial direction and remove export parity pricing. That can be done because, as I was told this morning, that is the intent of section 128F. There is an old direction under the old Act and a new one has to be given under this Act. It is incumbent upon the Minister to really think about what direction he will actually give in respect of export parity pricing. I really think it is important that that decision is reversed when this Bill is passed.
